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# Iran arms deal broke all the rules — Gates

By Mary Belcher  
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Robert Gates, the president's choice to head the CIA, said yesterday the Iran-Contra operation broke all the rules governing covert actions, including the need to notify Congress when the secret initiative dragged on.

Mr. Gates, in the first day of hearings on his nomination, also differed with the administration's rationale for selling arms to Iran. He told the Senate Intelligence Committee that weapons should not be used in U.S. efforts to open ties with other countries or to win the release of American hostages.

He said he regretted not having pursued reports of a possible diversion of Iranian arms sales proceeds to the Nicaraguan resistance when he first heard them in early October — nearly seven weeks before Attorney General Edwin Meese III publicly disclosed the Contra connection.

"It's difficult to look back with five months' hindsight and not acknowledge that some things might have been done differently or better," said Mr. Gates, a 21-year veteran of the CIA.

"I do wish I had launched a more intensive investigation at that time," he said.

In a Jan. 17, 1986, intelligence finding, President Reagan directed then-CIA Director William Casey not to inform Congress of the Iran affair. Mr. Gates yesterday called that a mistake.

"As I have looked back on that entire period, the only real regret that I have, and the one mistake that we at the agency made — that I made — was in not pressing [in] the middle of February for a reversal of the direction to not notify Congress," Mr. Gates said.

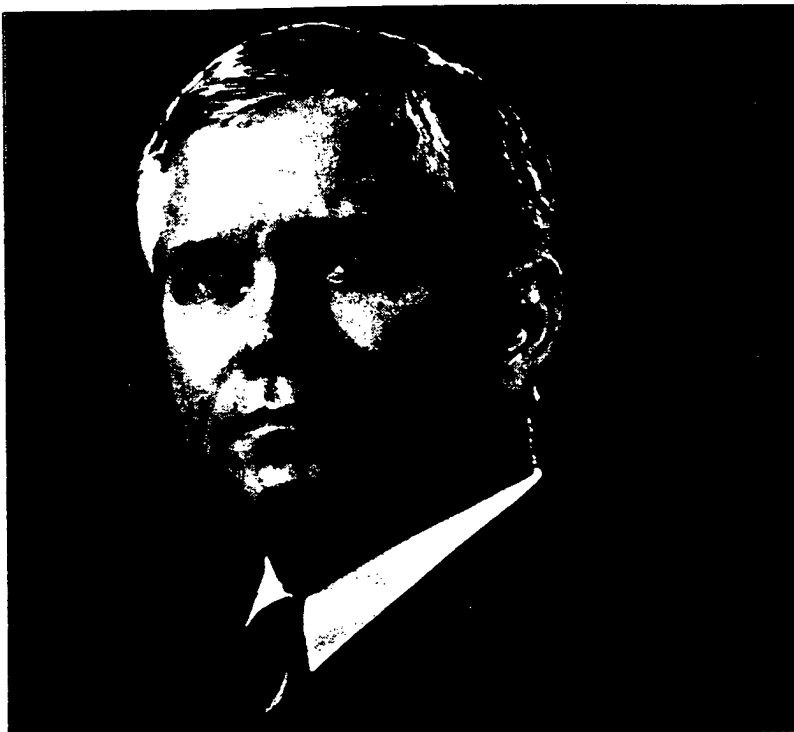


Photo by Stephen Crowley The Washington Times

Acting CIA Director Robert Gates during testimony on the Hill yesterday.

Under intense questioning from the panel, which oversees intelligence matters, Mr. Gates conceded that he would "contemplate" resigning if, as director of the Central Intelligence Agency, the president in the future refused to notify Congress of covert operations.

In a bold disavowal of Mr. Reagan's secret Iranian arms initiative, Mr. Gates told the committee that "regular procedures for development and implementation of covert actions were essentially ignored" in the operation.

After six hours of often tedious testimony, Sen. David Boren, the committee chairman, asked Mr.

Gates whether it is appropriate for weapons to be used as leverage to open dialogues with other nations or to win the release of American hostages.

"No sir," answered Mr. Gates. "I don't think it is."

The Senate panel, which held a series of closed hearings late last year on the Iran-Contra affair, had questioned Mr. Gates in December on his role in the failed initiative.

The hearing on the Gates nomination will resume today, but Mr. Boren said he will delay further action until a presidential commission headed

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by former Sen. John Tower reports its findings on the Iran-Contra affair late next week.

Panel members used Mr. Gates's confirmation hearing yesterday to express their discontent over Mr. Casey's testimony Nov. 21, when he failed to mention growing administration concerns over the Contra connection disclosed by Mr. Meese four days later.

Mr. Casey underwent surgery for a cancerous brain tumor in December and resigned as CIA director last month, catapulting Mr. Gates into the acting directorship.

Although panel members generally favor Mr. Reagan's choice of Mr. Gates for CIA director, his confirmation has been mired in the Iran-Contra debate.

Mr. Gates kicked off his grilling yesterday with an open admission that he would have done things differently than his predecessor.

"There were shortcomings in the CIA's participation in the Iran project," he said. "We did not communicate well enough internally about what was going on. We should have protested more vigorously our involvement in an operation in which there were significant elements unknown to us and where we mis-trusted key figures.

"We tolerated ground rules suggested by others that excluded some of our own experts, and we accepted a highly unusual funding mechanism," he said. "The entire undertaking was a unique activity that we are all determined not to repeat."

As Mr. Casey's deputy, Mr. Gates knew about the Iranian arms operation. But, he said yesterday, in an "informal division of labor" at the CIA, Mr. Casey rode herd over the Iran issue.

Mr. Gates's first inkling of a possible diversion of funds to the Contras came in early October, when a subordinate speculated about a Contra connection to the arms sales. He advised the CIA official — Charles Allen, a national intelligence officer — to outline his concerns to Mr. Casey in a written memo.

In an Oct. 9 meeting with Mr. Casey and former National Security Council aide Lt. Col. Oliver North, Mr. North made a "cryptic" reference to funding for the Contras, Mr. Gates said. Mr. Gates said he did not pursue the matter with Col. North

except to receive an assurance that the CIA was not involved in any illegal funding efforts.

In mid-October, Mr. Casey and Mr. Gates advised then-National Security Adviser Vice Adm. John Poindexter to make the Iran arms initiative public, to avoid having it leaked by arms dealers and others involved.

Adm. Poindexter resigned and Col. North was fired Nov. 25 after their roles in the Iran-Contra affair were uncovered. Both men have refused to testify before Congress, citing their Fifth Amendment protection against self-incrimination.

Although Mr. Gates said he regretted not having pursued the matter more vigorously, he said he did not notify the Senate Intelligence Committee of possible problems because he had no evidence of wrongdoing.

Breaking from a calm tone, Mr. Gates told the Senate panel he did not "sit on" the information Mr. Allen brought to his attention in early October.

"I said: 'Let's get it to the next level of responsibility. Let's get it to the director and let's find out if he knows more about it,'" Mr. Gates said. "It was I who insisted we take it down to Poindexter and make him aware of this very tentative speculation and concern about operational security.

"At each stage, my instinct was not to sit on it, not to try to make it go away," he said.

Sen. William Cohen, committee vice chairman, portrayed Mr. Gates as an "ambitious" young man who didn't want to "rock the boat" at the CIA. Mr. Cohen, Maine Republican, pointed out that Mr. Gates, 43, was confirmed as deputy director of the agency only last April, after the Iran initiative was firmly entrenched.

Mr. Gates admitted that he "didn't want to challenge" the program. But, he said, "I believe I would have if I had become convinced that there was wrongdoing or illegality."

Sen. Sam Nunn, Georgia Democrat, launched the most fiery questioning of Mr. Gates, causing the nominee to describe the Iran arms sales as "primarily a diplomatic activity" run by the NSC with "operational support" from the CIA.

"Sending guns to Iran and ammunition and TOW missiles is a diplomatic activity?" asked Mr. Nunn, head of the Senate Armed Services Committee. "The State Department is going to have to get a different kind of uniform if that's the case. That's a diplomatic activity?"